



**United States Department of Agriculture**

Farm and Foreign Agricultural Services  
Risk Management Agency

**INFORMATIONAL MEMORANDUM**

To: All Reinsurance Companies  
All Other Interested Parties

From: Heyward Baker /s/ Heyward Baker 1-4-00  
Director

Subject: Manual 14 Compliance Crop Insurance Contract Reviews and Y2K

The Reinsurance Services Division (RSD) has recently been notified that there may be some problems with the Compliance Crop Insurance Contract Review selections due to Y2K procedures. These reviews are required by Manual 14, Section C (3) (a) which states:

The insurance provider must conduct compliance reviews of a selected number of policies to determine whether all FCIC procedures were followed by the sales agents and loss adjusters in the sales and services of these policies. FCIC will furnish each insurance provider by February 1<sup>st</sup> after each crop year with a list of not less than 50 indemnified crop insurance contracts for review under this category....

Since the accounting cut off date has been moved to January 15, 2000, because of Y2K procedures we may be unable to provide the contract selection list to the reinsured companies by February 1, 2000. We will wait until after the January 15<sup>th</sup> accounting cut off date to pull the list of contracts because we need the largest possible universe of indemnified contracts to be processed through DAS prior to our selection. Once we have the indemnified contract list we need time to obtain a statistical sample.

We will make every effort to provide the list of contracts timely; however, if it appears that the list of contracts will be late we will notify you during the week of January 24<sup>th</sup> of the status. At which time we will also provide you with an extended the time frame for completing the reviews.

If you have any questions concerning this please contact your Reinsurance Services Division, Account Executive.



1400 Independence Ave., SW • Stop 0801 • Washington, DC 20250-0801

The Risk Management Agency Administers and Oversees  
All Programs Authorized Under the Federal Crop Insurance Corporation

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